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102D CONGRESS
1st Session
HOUSE OF REPRESENTATIVES
REPT. 102-329
Part 2

PROVIDING THAT, IN MAKING PAYMENTS FROM THE PRESIDENTIAL ELECTION CAMPAIGN FUND, INCLUDING THE PRESIDENTIAL MATCHING PAYMENT ACCOUNT, AMOUNTS ESTIMATED TO BE TRANSFERRED TO THE FUND DURING THE FISCAL YEAR BEFORE THE FISCAL YEAR OF THE PRESIDENTIAL ELECTION SHALL BE TAKEN INTO ACCOUNT, AND FOR OTHER PURPOSES

NOVEMBER 20, 1991.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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Mr. ROSTENKOWSKI, from the Committee on Ways and Means, submitted the following

REPORT

[To accompany H.R. 3644]

The Committee on Ways and Means, to whom was referred the bill (H.R. 3644) to provide that, in making payments from the Presidential Election Campaign Fund, including the Presidential Matching Payment Account, amounts estimated to be transferred to the Fund during the fiscal year before the fiscal year of the presidential election shall be taken into account, and for other purposes, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

The amendment is as follows:

At the end of the bill, add the following new section:

SEC. 4. ADDITIONAL REPORTING REQUIREMENTS.

(a) GENERAL RULE.—Section 9039 of the Internal Revenue Code of 1986 is amended by adding at the end thereof the following new subsection:

"(d) ADDITIONAL REPORTING REQUIREMENTS.—The Commission shall, within 7 calendar days following the monthly due date for Presidential candidate submissions for primary matching fund certifications for such month, submit a report to the appropriate congressional committees providing updated estimates of the Presidential Election Campaign Fund receipts, disbursements, and balances. For purposes of the preceding sentence, the appropriate congressional committees are the Committee on Ways and Means of the House of Representatives, the Committee on Finance of the Senate, the Committee on House Administra-

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tion of the House of Representatives, and the Committee on Rules and Administration of the Senate."

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on the date of the enactment of this Act.

I. LEGISLATIVE BACKGROUND

H.R. 3644 was reported to the full House of Representatives on November 19, 1991, with amendments, by the Committee on House Administration. The bill was sequentially referred to the Committee on Ways and Means for a period ending November 20, 1991.

II. EXPLANATION OF THE BILL

A. Present Law

The Presidential Election Campaign Fund ("Fund") is contained in Chapter 95 of the Internal Revenue Code of 1986, Sections 9001 et seq. The Fund provides for public financing of a portion of qualified Presidential election campaign expenditures, and certain qualified convention costs. The Fund is financed through the voluntary designation by individual taxpayers on tax returns of $1.00 of tax liability, which is commonly known as the Presidential election campaign checkoff.

The Treasury Department accumulates revenues in the Fund over a four-year period, and then disburses funds to eligible candidates for President, Vice President, and conventions during the Presidential election year. Concerns have arisen regarding the availability of amounts in the Fund during the 1992 Presidential election cycle. In an October 31, 1991, memorandum from the staff of the Federal Election Commission to the Commissioners, it was estimated that while sufficient funds are anticipated for the full 1992 Presidential election cycle, the monthly cash flow in 1992 will likely not support full matching payments to eligible primary Presidential candidates during the early months of the year.

Regulations issued by the Department of the Treasury on May 10, 1991, deal with the allocation of payments from the Fund. The regulations provide that the Secretary of the Treasury shall allocate funds from amounts that have actually been collected under the Presidential election checkoff and transferred to the Fund. In addition, the regulations provide that funds shall be allocated first to anticipated convention payments, second to anticipated general election payments, and third to anticipated primary payments.

In the event that amounts in the Fund are insufficient to fully satisfy all valid claims for payment by eligible primary candidates, the regulations provide that the amount to be paid to a candidate is the amount determined by multiplying the amount certified to be paid to the candidate in such month by the ratio of the balance in the account as of the end of such month over the total amounts available to all candidates. Any amounts not paid to a candidate because of the allocation system would carry over and be eligible for payment to that candidate in a subsequent month.

B. Description of H.R. 3644, as Reported by the Committee on House Administration

H.R. 3644 would require the Secretary of the Treasury to make payments available to eligible primary and general election candidates taking into account the amounts estimated to be transferred into the Fund during the fiscal year before the fiscal year in which the Presidential election occurs.

H.R. 3644, as amended by the Committee on House Administration, also would require that no candidate may receive amounts from the fund unless the candidate has certified that any television commercial prepared or distributed by the candidate will be prepared in a manner that contains closed captioning of the oral content of the commercial. Closed-captioning is the process by which the audio portion of a program is converted into written words, and can be received by specially equipped television sets.

C. Explanation of Committee Amendment

The Committee amendment requires that, within seven calendar days following the monthly due date for Presidential candidate submissions for primary matching fund certifications for such month, the Federal Election Commission would provide updated estimates of Presidential Election Campaign Fund receipts, disbursements and balances to the Committee on Ways and Means, Committee on Finance of the Senate, the Committee on House Administration and Committee on Rules and Administration of the Senate.

III. VOTE OF THE COMMITTEE AND OTHER MATTERS TO BE DISCUSSED UNDER HOUSE RULES

A. Vote of the Committee

In compliance with clause 2(l)(2)(b) of rule XI of the Rules of the House of Representatives, the following statement is made about the vote of the Committee on Ways and Means on the motion to report the bill, H.R. 3644. The Committee ordered the bill, as amended, favorably reported by voice vote.

B. Committee Budget Estimate

In compliance with clause 7(a) of rule XII of the Rules of the House of Representatives, the Committee states that there would be no budgetary impact from enacting this bill.

C. Other Matters

In compliance with clause 2(l)(3) and 2(l)(4) of rule XI of the Rules of the House of Representatives, the following statements are made with respect to the Committee action on H.R. 3644.

Oversight findings

With respect to subdivision (A) of clause 2(l)(3) (relating to oversight findings), the Committee advises that it was as a result of the Committee review of general campaign financing issues that the Committee concluded that it is appropriate to enact the provisions of H.R. 3644.

New budget authority and tax expenditures

With respect to subdivision (B) of clause 2(l)(3), the Committee states that the changes made to existing law by the Committee bill as reported involve no increase or reduction in tax expenditures, budget authority or new spending authority as described in section 401(c)(2) of the Congressional Budget Act of 1974.

Congressional Budget Office estimate

With respect to subdivision (C) of clause 2(l)(3), the following estimate from the Congressional Budget Office is provided:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, November 20, 1991.

Hon. DAN ROSTENKOWSKI,
Chairman, Committee on Ways and Means,
U.S. House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has reviewed H.R. 3644, as ordered reported by the Committee on Ways and Means on November 20, 1991, H.R. 3644 would amend the rules by which payments are made from the Presidential Election Campaign Fund. Enactment of the bill would not affect the federal budget or the budgets of state and local governments. This bill would not affect direct spending or receipts, so there would be no pay-as-you-go scoring under the Budget Enforcement Act of 1990.

Under current law, the Department of the Treasury, which makes payments to eligible presidential candidates from the Presidential Election Campaign Fund, follows certain priorities in deciding how to allocate resources. Typically, the fund has sufficient balances to pay all entitled amounts during a campaign cycle, from revenues earmarked through a checkoff on federal income tax forms. Recently, however, the balances in the fund have declined, and the Treasury predicts that, under its allocation system, not all candidates would receive the payments that they would ordinarily get in time for the primaries early in 1992. This will occur because, out of the balances available at the beginning of the new year, the Treasury will reserve amounts expected to be needed for the party conventions and the general election, leaving only enough money for the first candidate who raises enough contributions to qualify for the matching payment for the primaries. The other condidates who raise sufficient contributions later would not immediately receive matching payments because the fund would be depleted. Only after the income tax filing period in the spring months, after the primaries are over, would enough additional revenues be earmarked for the fund to allow the Treasury to award matching payments.

H.R. 3644 would allow the Treasury, when making matching payments for primaries, to take into account the amounts expected to be earmarked to the fund from the income tax checkoff during 1992. Although this would shift the payment of some funds to some candidates from the summer of 1992 to earlier in the year, total spending would not change and there would be no impact on the budget.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is James Hearn, who can be reached at 226–2860.

Sincerely,

ROBERT D. REISCHAUER,
Director.

Oversight by the Committee on Government Operations

With respect to subdivision (D) of clause 2(l)(3), the Committee advises that no oversight findings or recommendations have been submitted to the Committee on Ways and Means by the Committee on Government Operations regarding the subject of the Committee bill.

Inflationary impact

In compliance with clause 2(l)(4), the Committee states that since there is no budgetary impact or regulatory impact from the bill, there will be no effect on the inflation rate.

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